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March 25, 1998

Mr. Roger Patterson  
Director, Mid-Pacific Region  
U.S. Bureau of Reclamation  
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Mr. Michael Spear  
Director, Region 1  
U.S. Fish and Wildlife Service  
911 N.E. 11<sup>th</sup> Avenue  
Portland, OR 97232

Dear Roger and Mike:

On March 13, 1998, members of the Ecosystem Roundtable and the interested public were briefed by USBR and USFWS staff on a proposed \$117.2 million CVPIA program implementation budget for the current (FY98) fiscal year. In addition to federal funds provided through CVPIA Restoration Fund and general fund sources as well as non-federal cost-share funding through State Proposition 204 and other sources, the proposal includes approximately \$22.9 million in "requested CALFED funding" as part of the \$85 million in new ecosystem restoration funds provided in FY98 through the 1996 California Bay-Delta Environmental Enhancement and Water Security Act.

I was pleased to see evidence of some detailed "up front" thinking (albeit six months into the current fiscal year) in the ongoing effort to better coordinate expenditure priorities under the CVPIA and CALFED ecosystem restoration programs -- I do not, let me assure you, underestimate the challenges involved in doing so. Accordingly, I hope and trust that there will be more such activity in the future, ideally beginning with early budget formulation efforts and continuing through any number of revisions as the overall priority setting process takes shape.

However, in assessing the merits of your proposal for FY98 in particular, I need to have a better understanding as to where matters stand on at least three important and related fronts:

(1) how have the \$6.0 million FY98 Restoration Fund cut and the \$14.0 million repeal of water acquisition reserve funds been handled, and why did you make no effort to re-establish the water acquisition reserve as part of your FY99 request?

(2) how, if at all, will these or other proposed CVPIA re-allocations affect the various cost sharing allocations previously assumed as part of the Ecosystem Roundtable's evaluation and advisory process? And

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March 25, 1998

Roger Patterson and Michael Spear

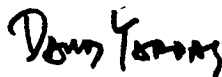
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(3) are you currently proposing (for FY98) or planning (for FY99 or FY00) to fund any of the so-called "toolbox" measures previously identified in Interior's "(b)(2)" decision? If so, can you please be specific as to what you intend, and explain how any such uses of ecosystem funds would comport with the "beneficiary pays" principle also set forth in the (b)(2) decision?

As a member of the Ecosystem Roundtable, my intent in asking these questions is simply to ensure that available ecosystem funds are used in ways that ensure the greatest possible long-term ecosystem benefit, and that the "new" Bay-Delta Act funds actually do in fact build upon, and do not somehow become a substitute for, the important ecosystem restoration and funding foundation established by the 1992 CVPIA in particular. Your timely answers to the above questions will help to ensure that these goals are, in fact, being met.

Thank you very much.

Sincerely yours,



David Yardas  
Senior Analyst

cc: Cindy Darling (for distribution to Roundtable members)  
Wayne White, USFWS  
Dick Daniel, CALFED